



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

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STATE TREASURER PHILIP ANGELIDES SELLS CSU, POMONA STUDENT UNION REVENUE BONDS VIA INTERNET

SACRAMENTO, CA - Using the internet to conduct an online competitive bid process, California State Treasurer Philip Angelides today sold \$20.980 million in revenue bonds for the California State University (CSU).

Eight bidders – more than the usual number – submitted bids online using the electronic bidding services of Bloomberg, MuniAuction, and Parity. Banc of America Securities won the bid with the lowest true interest cost of 5.5997 percent. All maturities of the bonds are fully insured by the Financial Guaranty Insurance Company (FGIC).

CSU will use the bond proceeds to finance construction of Phase II of the California State Polytechnic University, Pomona Student Union project. Phase II is scheduled to start in mid-April and will add over 53,000 square feet of space to the Student Union to alleviate overcrowded conditions and provide additional services.

Treasurer Angelides was pleased with the internet bidding. “The fact that there were eight bidders, rather than the usual three or four, demonstrates that online bidding is working to produce greater competition and lower costs for state bond issuers,” Angelides said.

Merrill Lynch & Company submitted the “cover” bid of 5.6237 percent. The other bidders were: U.S. Bancorp Piper Jaffray, Paine Webber, Inc., Prudential Securities, Salomon Smith Barney, William R. Hough & Company, and Stone & Youngberg.

Moody’s Investors Service and Standard & Poor’s gave underlying ratings to the bonds of A2 and A, respectively. With the addition of the FGIC bond insurance by the winning bidder, the bonds will carry ratings of Aaa and AAA, respectively.

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